

MINUTES OF MEETINGS

OF

EXECUTIVE COMMITTEES

OF

AIR AMERICA, INC. AND AIR ASIA COMPANY LIMITED

December 12, 1967

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Meetings of the Executive Committees of Air America, Inc. and Air Asia Company Limited were held on December 12, 1967 and the following matters were considered:

1 - Approval of Minutes: The minutes of the meetings of Air America, Inc. and Air Asia Company Limited Executive Committees of November 28, 1967, were approved.

2 - Reports:

(a) Operating Statistics - October, 1967: Flying activity for October totalled 24,349 hours or 785 hours per day as compared with a total of 22,803 hours or 760 hours per day reported for September. Total revenue load factor for scheduled operations was 45% for October as compared with 61% for October, 1966. Revenue from scheduled international service totalled \$424,000 during October, 1967 down 48% from the \$810,000 for October, 1966. October revenue from scheduled operations was down due to the discontinuance of the Seoul and Manila service and increased competition over other routes. Customer

APPROVED FOR  
RELEASE DATE:  
13-Oct-2009

aircraft maintenance was down 10% with 206,000 skilled man-hours reported for October, 1967 as compared with 230,000 for September, 1967. The total skilled man-hours expended in October at the main maintenance base was 578,000 up slightly from the 575,000 expended in September. Skilled labor overtime was 26% of regular hours worked in October, 1967 as compared with 22% for September, 1967.

(b) Personnel Statistics - October, 1967: Personnel increased by 58 during October, 1967 to a total of 10,847 on board. Vacancies totalled 1,776 up 22 for the month. Flight personnel totalled 610 an increase of 7 for the month. The Companies are currently recruiting 25 pilots to replace those lost through normal turnover, which during October was at the rate of 0.66%.

(c) Major Damage to Aircraft: Since the last Executive Committee meeting on November 28, 1967, the following reports of major aircraft damage were received:

<u>Date</u>	<u>Aircraft</u>	<u>Cause</u>	<u>Damage</u>	<u>Injured</u>	<u>Aircraft again available to customer</u>
Dec. 6	Porter N357F	Engine caught fire on starting	Severe damage to engine	None	Dec. 12
Dec. 9	TenTwo N51259	Training flight- lost control on takeoff	Substantial	Minor lacerations	Est. Dec. 20
Dec. 9	C-47 4316083 Bailed	Tail raised during runup & prop struck taxiway	Both props and engines	None	Not Reported

3 - SEA Contract Flying: It was reported that, except for a threatened work stoppage at Vientiane, operations in Southeast Asia continue in the normal routine with flying remaining at about the same level as it has over the past few months.

4 - Contracting for GFY1968: The Executive Committee again reviewed the status of the contracting for the Government fiscal year 1968 and urged that such contracting be concluded as soon as possible.

5 - Consolidated Financial Statements - September, 1967: It was reported that consolidated financial statements for The Pacific Corporation and Subsidiaries are being prepared on a quarterly basis and in the future will be distributed to the Executive Committee. For the six months ended September 30, 1967 the consolidated statement showed total operating revenues of \$34,000,000, as compared with \$65,000,000 for the fiscal year ended March 31, 1967. Net income before provision for income taxes for the first six months of the Companies' year totalled \$1,395,000 as compared with \$4,832,000 for the year ended March 31, 1967. Net income after provision for income taxes was \$1,134,000 for the six month period or 3.4% of total operating revenues. Net income after provision for income taxes for the year ended March 31, 1967 was \$3,972,000 or 6.1% of the total operating revenue.

6 - Requests for Capital Appropriations: The Executive Committee considered and approved the following capital appropriation requests:

(a)	PLNG-AR-303 S1, Repair Accident Damage to Helio Aircraft XWPBX (\$2,900 additional to previous appropriation of \$9,990)	\$12,890
(b)	TP548, Repair Accident Damage to Porter Aircraft N9444	31,500
(c)	TP550, Repair Accident Damage and Subsequent Vandalism to Bell 205 Helicopter XWPFF	69,919
(d)	TAC-AR-435, Construct and Install Boeing 727 Tail Gantry at Yokota, Japan	25,000

7 - Volpar N91284 Accident Claims: It was reported that a settlement negotiation is scheduled for December 27, 1967 with the attorney representing the families of Doctors Bangsberg and Albertson, who were two of the eight educators killed in the March 23, 1967 Volpar accident in Vietnam.

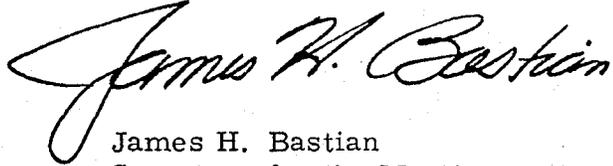
8 - Banking Facilities: The Executive Committee approved the following banking actions:

- (a) Change of Signatories
  - (1) CATCL Tokyo US\$ Account at The Chase Manhattan Bank
  - (2) AACL Taipei Payroll Account No. 4646 at The First Commercial Bank of Taiwan
- (b) Account Closed

CATCL Saigon Customer Deposit/  
Advance Account - VN\$1,000,000  
(\$8,474.58 at 118) at the Bank of  
Communications

There being no further business to come before the meeting,  
on motion duly made and seconded, it was adjourned.

Respectfully submitted,

A handwritten signature in cursive script that reads "James H. Bastian". The signature is written in black ink and is positioned above the printed name and title.

James H. Bastian  
Secretary for the Meeting